

HOUSE HEALTH AND GOVERNMENT AFFAIRS COMMITTEE SUBSTITUTE FOR
HOUSE BILL 661

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

AN ACT

RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE;
PROVIDING THAT, FOR PROPERTY TAXATION PURPOSES, CERTAIN
AFFORDABLE HOUSING SUBSIDIES, COVENANTS OR ENCUMBRANCES SHALL
BE TAKEN INTO ACCOUNT WHEN DETERMINING THE MARKET VALUE OF
RESIDENTIAL HOUSING; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-36-15 NMSA 1978 (being Laws 1975,
Chapter 165, Section 2, as amended) is amended to read:

"7-36-15. METHODS OF VALUATION FOR PROPERTY TAXATION
PURPOSES--GENERAL PROVISIONS.--

A. Property subject to valuation for property
taxation purposes under this article of the Property Tax Code
shall be valued by the methods required by this article of the
Property Tax Code whether the determination of value is made by

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underscored material = new
[bracketed material] = delete

1 the department or the county assessor. The same or similar
2 methods of valuation shall be used for valuation of the same or
3 similar kinds of property for property taxation purposes.

4 B. Unless a method or methods of valuation are
5 authorized in Sections 7-36-20 through 7-36-33 NMSA 1978, the
6 value of property for property taxation purposes shall be its
7 market value as determined by application of the sales of
8 comparable property, income or cost methods of valuation or any
9 combination of these methods. In using any of the methods of
10 valuation authorized by this subsection, the valuation
11 authority:

12 (1) shall apply generally accepted appraisal
13 techniques; and

14 (2) in determining the market value of
15 residential housing, shall consider any decrease in the value
16 that would be realized by the owner in a sale of the property
17 because of the effects of any affordable housing subsidy,
18 covenant or encumbrance imposed pursuant to a federal, state or
19 local affordable housing program that restricts the future use
20 of the property or the resale price of the property or would
21 otherwise prohibit the owner from fully benefitting from any
22 enhanced value of the property. As used in this paragraph:

23 (a) "subsidy, covenant or encumbrance
24 imposed pursuant to a federal, state or local affordable
25 housing program" includes those imposed by a nonprofit entity

1 approved by a governmental entity as a qualifying grantee
 2 pursuant to the Affordable Housing Act; and

3 (b) "residential housing" means any
 4 building, structure or portion thereof that is primarily
 5 occupied, or designed or intended primarily for occupancy, as a
 6 residence by one or more households and any real property that
 7 is offered for sale or lease for the construction or location
 8 thereon of such a building, structure or portion thereof.

9 "Residential housing" includes congregate housing, manufactured
 10 homes, housing intended to provide or providing transitional or
 11 temporary housing for homeless persons and common health care,
 12 kitchen, dining, recreational and other facilities primarily
 13 for use by residents of a residential housing project.

14 C. Dams, reservoirs, tanks, canals, irrigation
 15 wells, installed irrigation pumps, stock-watering wells and
 16 pumps, similar structures and equipment used for irrigation or
 17 stock-watering purposes, water rights and private roads shall
 18 not be valued separately from the land they serve. The
 19 foregoing improvements and rights shall be considered as
 20 appurtenances to the land they serve, and their value shall be
 21 included in the determination of value of the land.

22 D. The department shall adopt regulations [~~in~~
 23 ~~accordance with the procedures in Section 7-38-90 NMSA 1978]~~ to
 24 implement the methods of valuation authorized in this article
 25 of the Property Tax Code."

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